

21 July 2020

## Living Conditions Survey (LCS). Year 2019 Final results

## Average per person income increased by 2.3%, reaching 11,680 euros

The population at risk of poverty or social exclusion (AROPE rate) stood at 25.3%, as compared with 26.1% in the previous year.

#### Average income

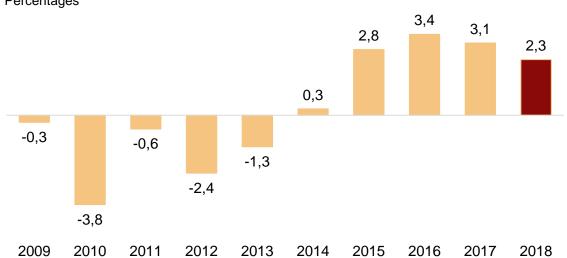
The average income per person reached 11,680 euros, a figure 2.3% higher than that recorded the previous year.

#### Average income per person

#### Euros

Año de la encuesta	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Ingresos del año:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Ingreso medio nor nersona	11 284	10.858	10 795	10 531	10 391	10 419	10 708	11 074	11 412	11 680

### Annual growth of the average income per person Percentages



#### Income distribution and inequality

The S80/S20 ratio, used to measure income inequalities, compares the sum of the incomes of 20% of the population with the highest income with that of 20% of the population with the lowest income. In 2019 (referring to income of 2018) its value was 5.9 with a decrease of one tenth compared to the previous year.

Another indicator to analyse inequality is the Gini Index. It is a measure of inequality that takes the value 0 in the case of perfect equity and the value 100 in the case of maximum inequality. This index also shows a decrease in income inequality. In 2019, the Gini index decreased nine tenths, standing at 33.0.

#### Income inequality indicators

Año de la encuesta:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Ingresos del año:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
S80/S20	6,2	6,3	6,5	6,3	6,8	6,9	6,6	6,6	6,0	5,9
Índice de Gini	33,5	34,0	34,2	33,7	34,7	34,6	34,5	34,1	33,2	33,0

#### At-risk of poverty or social exclusion rate (AROPE rate)

The At-Risk-of-Poverty or Social Exclusion (AROPE) rate was created in 2010 to measure relative poverty in Europe by broadening the concept of the at-risk-of-poverty rate, which only considers income.

The AROPE rate is constructed with the population at risk of poverty, or with material deprivation or low employment intensity.

In the LCS of 2019, the at-risk-of-poverty or social exclusion rate (AROPE) stood at 25.3% of the population resident in Spain, as compared with 26.1% registered the previous year.

The reduction of the AROPE rate occurred in two of its three components. Severe material deprivation was thus reduced from 5.4% to 4.7% and the risk of poverty from 21.5% to 20.7%. In contrast, the low intensity of employment rose one tenth and stood at 10.8%.

# AROPE rate. Population included within at least one out of three criteria of poverty risk or social exclusion by components

Percentages

Año de la encuesta: Ingresos del año:	2010 2009	2011 2010	2012 2011	2013 2012	2014 2013	2015 2014	2016 2015	2017 2016	2018 2017	2019 2018
Indicador AROPE	26,1	26,7	27,2	27,3	29,2	28,6	27,9	26,6	26,1	25,3
Riesgo de pobreza (1)	20,7	20,6	20,8	20,4	22,2	22,1	22,3	21,6	21,5	20,7
Carencia material severa	4,9	4,5	5,8	6,2	7,1	6,4	5,8	5,1	5,4	4,7
Baja intensidad en el empleo (2)	10,8	13,4	14,3	15,7	17,1	15,4	14,9	12,8	10,7	10,8

<sup>(1)</sup> Ingresos del año anterior a la entrevista

<sup>(2)</sup> Año anterior a la entrevista

By age group, the AROPE rate dropped one point in persons aged 65 to 64 and 1.9 points in persons over 16. This while it increased by 1.3 points in those under 16 years of age.

#### AROPE rate. Population included in at least one of the three criteria of the risk of atpoverty-risk rate and social exclusion by age

#### Percentages

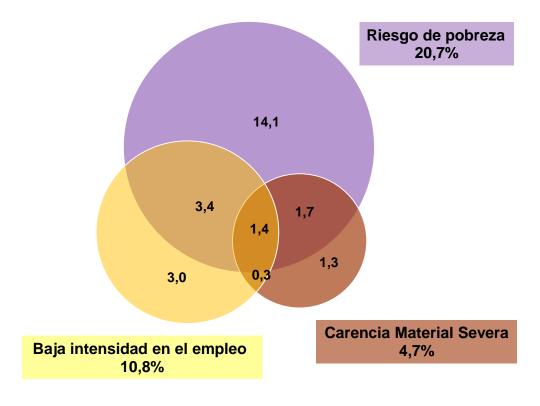
Año de la encuesta:	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Ingresos del año:	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
TOTAL	26,1	26,7	27,2	27,3	29,2	28,6	27,9	26,6	26,1	25,3
Menos de 16 años	32,6	31,6	31,4	31,9	35,4	33,4	31,7	31,0	28,8	30,1
De 16 a 64 años	25,3	27,0	29,0	29,5	32,0	31,6	30,7	28,4	27,9	26,9
65 y más años	22,9	21,2	16,5	14,5	12,9	13,7	14,4	16,4	17,6	15,7

As a complement to the AROPE rate, an indicator of intersection between the populations that are in each of the three situations is constructed.

Thus, in 2019 (and with income data from 2018), 1.4% of the population was both at risk of poverty, with severe material deprivation and low employment intensity.

#### Intersections between sub-populations.

Year 2019 (with 2018 income data) AROPE rate 25.3%





#### At-risk-of-poverty threshold

According to Eurostat criteria, the at-risk-of-poverty threshold is set at 60% of the median1 income per consumption unit2 of persons. Therefore, it increases or decreases in line with the median income. As income per person increases, so does the at-risk-of-poverty threshold.

In 2019, the at-risk-of-poverty threshold for one-person households (calculated on the basis of income data for 2018) stood at 9,009 euros, that is, 1.6% higher than that estimated in the previous year. In households with two adults and two children under 14 years old, said threshold stood at 18,919 euros.

#### Median income and at-risk-of-poverty threshold

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Año de la encuesta: Ingresos del año:	2010 2009	2011 2010	2012 2011	2013 2012	2014 2013	2015 2014	2016 2015	2017 2016	2018 2017	2019 2018
Renta mediana	14.605	13.930	13.868	13.524	13.269	13.352	13.681	14.203	14.785	15.015
Umbral de riesgo de pobreza										
Hogares de una persona	8.763	8.358	8.321	8.114	7.961	8.011	8.209	8.522	8.871	9.009
Hogares de dos adultos y dos niños	18.403	17.551	17.473	17.040	16.719	16.823	17.238	17.896	18.629	18.919

#### Population at risk of poverty

The population at risk of poverty is a relative indicator that measures inequality. It does not measure absolute poverty but the number of persons with low income as compared with the total population.

In 2019 (and taking into account income in 2018) the percentage of the population below the at-risk poverty threshold (the so called *at-risk-of-poverty rate*<sup>3</sup>) stood at 20.7% of the resident population in Spain, compared with 21.5% in the previous year.

By age group, the at-risk-of-poverty rate increased by 0.9 points for those under 16 years of age. Conversely, it dropped by 1.2 points for the 16-64 age group and 1.1 points for those over 65.

#### Population at risk of poverty by age group

Percentages

Año de la encuesta: 2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 Ingresos del año: 2009 2010 2011 2012 2013 2014 2015 2016 2017 2018 **TOTAL** 20,7 20,6 20,8 20,4 22,2 20,7 22.1 22.3 21.6 21.5 Menos de 16 años 28,8 27,2 26,9 26,7 30,1 28,8 28,9 28,1 26,2 27.1 19,7 19,2 19,4 19,2 20,7 16 v más años 20,8 21,1 20,4 20,7 19,4 De 16 a 64 años 18,6 19,3 20,9 20,8 23.2 23,2 23,3 21,9 22,1 20,9 65 y más años 21,8 19,8 14,8 12,7 11,4 12,3 15,6 14,5

<sup>&</sup>lt;sup>1</sup> The median is the value that, ordering all individuals from lowest to highest income, leaves half of them below the aforementioned value, and the other half above it. Therefore, its value depends on the level of income and on how the income is distributed among the population.

<sup>&</sup>lt;sup>2</sup> A consumer unit is a person living by him self. A household consisting of two adults constitutes 1.5 consumer units. Therefore the poverty threshold is calculated for each type of household. The survey methodology includes a more precise definition of the consumption unit as well as reference values for the poverty thresholds.

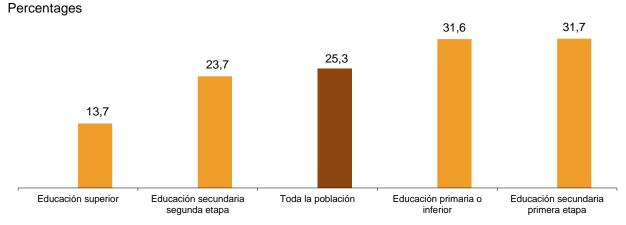
<sup>&</sup>lt;sup>3</sup> The at-risk-of-poverty rate in the LCS-2019 is the percentage of persons whose income of the previous year is below the poverty threshold.

## Population at risk of poverty or social exclusion according to characteristics (AROPE rate)

The AROPE rate can be disaggregated according to characteristics such as level of education or type of household.

With respect to the importance of the level of education, 31.7% of the population that has reached an educational level equivalent to first stage of secondary education were at risk of poverty or social exclusion in the LCS of 2019 (with income of 2018). In turn, when the level reached was higher education, this rate was reduced to 13.7%.

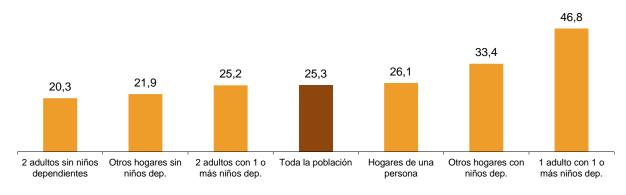
# Risk of poverty or social exclusion (AROPE rate) by level of education attained (persons aged 16 and over). LCS-2019 (2018 income)



Regarding household type, 46.8% of persons living in a household consisting of an adult with dependent children were at risk of poverty or social exclusion in 2019. The lowest at risk-of-poverty or social exclusion rates were found in households without dependent children.

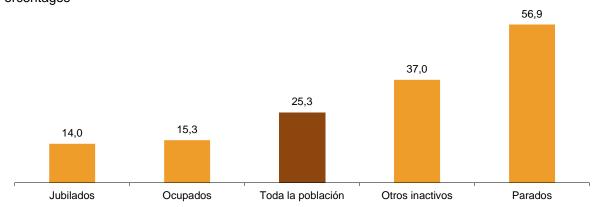
## Risk of poverty or social exclusion (AROPE rate) by type of household. LCS-2019 (2018 income)

Percentages



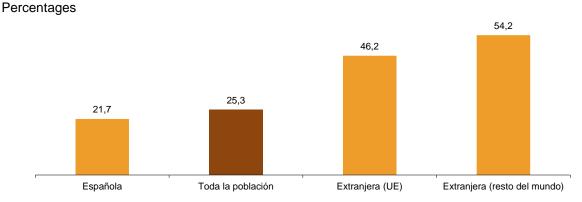
In terms of economic activity, 56.9% of the unemployed were at risk of poverty or social exclusion, as compared with 15.3% of employed persons and 14.0% of retired persons.

# Risk of poverty or social exclusion (AROPE rate) due to the relationship with the economic activity (persons aged 16 and over). LCS-2019 (2018 income) Percentages



According to nationality, the percentage of persons below the threshold of risk of poverty or social exclusion was 21.7% for Spaniards, 46.2% for foreigners for the EU and 54.2% for persons not from an EU country.

# Risk of poverty or social exclusion (AROPE rate) by nationality (persons aged 16 and over). LCS-2019 (2018 income)



#### Household economic situation

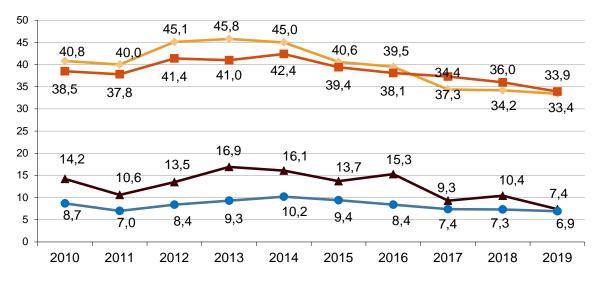
7.4% of Spanish households said that they would have "great difficulty" making ends meet in 2019. This percentage was 3.0 points lower than that registered the previous year.

On the other hand, 33.9% of households did not have the capacity to handle unforeseen expenses, compared to 36.0% in 2018.

33.4% of households could not afford to take a holiday away from home at least one week a year. This percentage was 0.8 points lower than that registered in 2018.

On the other hand, 6.9% of households were late in paying expenses related to the main dwelling (mortgage or rent, gas, electricity or community bills, etc.) in the 12 months prior to the interview. This percentage stood 0.4 points below that recorded the previous year.

## **Evolution of household economic difficulties** Percentages



- No puede permitirse ir de vacaciones fuera de casa al menos una semana al año
- No tiene capacidad para afrontar gastos imprevistos
- Mucha dificultad para llegar a fin de mes
- Retrasos en los pagos relacionados con la vivienda principal

#### **Results by Autonomous Communities**

The highest average annual income (in 2018) were registered in País Vasco (15,300 euros per person), Comunidad de Madrid (14,199) and Comunidad de Navarra (13,937).

In turn, the lowest average annual income was registered in Extremadura (8,796 per person), Región de Murcia (8,956) and Andalucía (9,160)

With regard to the AROPE rates of risk of poverty or social exclusion, the highest were found in Extremadura (37.7%), Andalucía (37.7%) and Canarias (35.0%).

In turn, Comunidad Foral de Navarra (11.7%) and País Vasco (14.4%) presented the lowest at-risk-of-poverty or social exclusion rates.

Regarding the at-risk-of-poverty rate, the highest rates were registered in Extremadura (31.5%), Andalucía (31.3%) and Canarias (28.5%).

In turn, Comunidad Foral de Navarra (7.7%) and País Vasco (10.0%) presented the lowest atrisk-of-poverty rates.

## Average income, AROPE rate and at-risk-of-poverty rate by Autonomous Community. LCS-2019 (2018 income)

	Ingresos medios		
	por persona	Tasa	Riesgo de
	(euros)	AROPE (%)	Pobreza (%)
TOTAL	11.680	25,3	20,7
Andalucía	9.160	37,7	31,3
Aragón	12.300	21,1	17,9
Asturias, Principado de	12.523	24,6	20,7
Balears, Illes	12.410	15,1	12,0
Canarias	9.487	35,0	28,5
Cantabria	12.205	19,4	17,3
Castilla y León	12.003	16,7	12,9
Castilla - La Mancha	9.715	30,7	26,2
Cataluña	13.527	18,8	13,9
Comunitat Valenciana	10.611	27,0	23,7
Extremadura	8.796	37,7	31,5
Galicia	11.218	24,3	20,0
Madrid, Comunidad de	14.199	19,0	15,0
Murcia, Región de	8.956	31,9	27,7
Navarra, Comunidad Foral de	13.937	11,7	7,7
País Vasco	15.300	14,4	10,0
Rioja, La	12.697	15,2	12,3
Ceuta	10.164	45,9	40,6
Melilla	11.733	38,5	35,7

Canarias (13.5%), Región de Murcia (13.0%) and Andalucia (11.1%) were the Autonomous Communities that registered the highest percentages of households that had "a great deal of difficulty" making ends meet in 2019. Those that presented the lowest percentages were Aragón (2.2%), Castilla y León (4.0%) and Illes Balears (4.2%).

In 2019, 51.8% of households in Canarias, 46.0% in Región de Murcia and 44.6% in Andalucía were unable to handle unforeseen expenses. At the other end of the spectrum were La Rioja (17.2%) and Comunidad Foral de Navarra (22.9%).

Andalucia (48.0%), Extremadura (47.4%) and Región de Murcia (44.9%) presented the highest percentages of households that could not afford to pay for at least one week of holidays away from home per year in 2019. The lowest percentages corresponded to La Rioja (17.9%), Aragón (19.5%) and Comunidad Foral de Navarra (19.6%).

In the case of households with delays in payments related to the main dwelling, Andalucía (9.5%), Región de Murcia (9.4%) and Illes Balears (8.9%) showed the highest percentages. In turn, Castilla y León (2.2%), Cantabria (2.3%) and La Rioja (3.6%) registered the lowest percentages.

## Household economic difficulties by Autonomous Community. Year 2019 Percentages

Mucha No puede No tiene Retrasos en dificultad permitirse ir de capacidad los pagos para llegar a vacaciones para afrontar relacionados gastos fuera de casa con la fin de mes imprevistos al menos una vivienda principal semana al año TOTAL 33,4 33,9 6,9 7,4 Andalucía 48,0 44,5 9,5 11,1 Aragón 19,5 28,0 4,5 2,2 Asturias, Principado de 33,0 31,2 4,7 9,6 4,2 Balears, Illes 22,8 26,1 8,9 Canarias 36,7 51,8 8,7 13,5 Cantabria 40,5 43,6 2,3 7,7 4,0 Castilla y León 28,4 25,2 2,2 Castilla - La Mancha 39,4 40,4 4,3 5,1 Cataluña 28,2 26,8 8,2 5,9 Comunitat Valenciana 34,5 33,5 7,2 5,2 Extremadura 47,4 44,6 7,2 10,5 Galicia 40,8 26,3 4,8 5,7 Madrid, Comunidad de 22,0 30,6 5,2 7,0 Murcia, Región de 44,9 46,0 9,4 13,0 4,7\_ Navarra, Comunidad Foral de 19,6 22,9 5,4 País Vasco 23,5 25,2 7,3 5,9 Rioja, La 17,9 17,2 3,6 4,3 Ceuta 38,9 46,3 14,3 20,4 38,4 Melilla 32,3 7,4 10,8

#### **Data Review and Updates**

The data published today are final. All results are available on INEBase.

#### Methodological note

The Living Conditions Survey (LCS) is an annual statistical operation aimed at households, and it is conducted in all European Union countries. This is a harmonised statistic which is supported by Regulation (EC) No 1177/2003 of the European Parliament and of the Council of 16 June 2003 on Community statistics on income and living conditions.

The LCS was conducted for the first time in 2004. Its main objective is to provide information regarding the income, level and composition of poverty and social exclusion in Spain, and to enable making comparisons with other European Union countries. For this purpose, the incomes of the calendar year prior to the interview are collected. Also, many other questions about living conditions, which are referred to the time of the survey, are collected. Therefore, the variables related to the incomes of the survey of 2019 are referred to 2018 whereas the other questions are referred to 2019.

The 2019 LCS has been carried out by the National Statistics Institute (INE) in collaboration with the Statistical Institute of Cataluña (IDESCAT) within the scope of this Autonomous Community.

Type of survey: annual.

Collection period: Third four-month period of 2019.

**Sample size**: The effective sample is made up of about 40,000 people.

**Type of sampling**: The LCS is a panel survey in which the persons interviewed collaborate for four consecutive years. It is a stratified two-stage sampling. The first stage units are the census tracts and the second stage units are the family dwellings.

Collection method: personal and telephone interview.

For more information you can access the methodology at:

https://www.ine.es/en/daco/daco42/condivi/ecv\_metodo\_en.pdf

And the standardised methodological report at:

https://www.ine.es/dynt3/metadatos/en/RespuestaDatos.html?oe=30453

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